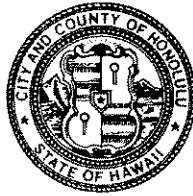


DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

MUFI HANNEMANN  
MAYOR



RECEIVED

2008 APR 17 P 2:19 MAY PATRICIA WATERHOUSE  
DIRECTOR

CITY COUNCIL  
HONOLULU, HAWAII MARK K. OTO  
DEPUTY DIRECTOR

April 16, 2008

The Honorable Todd K. Apo, Chair  
and Members of the Budget Committee  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

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CITY CLERK  
HONOLULU, HAWAII

Dear Chair Apo and Councilmembers:

As requested, we are providing information regarding the status of the vacancies in the Division of Treasury and are requesting that the funding for salaries be restored to the level in the Mayor's proposed budget.

Since the January 31, 2008 list of vacant positions, Treasury has accomplished the following. A worksheet is attached detailing the status of each position. As you can see, Treasury is on track to fill 11 of the 13 positions by June 30, 2008.

Positions filled	5	\$206,443
Positions where offer made to an applicant	1	48,048
Positions where interviews conducted or being conducted	2	79,683
Positions waiting for list of applicants	3	155,046
Subtotal – Positions to be filled by June 30, 2008	11	\$486,220
Positions to be filled in FY2009	2	30,964
Total – Positions listed	13	\$517,184

The following are a few of the consequences of any reduction in the salary appropriation.

- The Cash and Debt Management Branch handles the debt service payments and the investments for the City. Inadequate staffing jeopardizes the timeliness of debt service payments and the City's ability to maximize earnings from investments. The vacant positions in this Branch are the professional employees essential to execute those tasks to maintain the City's financial creditworthiness and bond rating.

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- Three of the vacancies, Delinquent Tax Collection Assistant I and II, are critical to the collection of delinquent real property taxes. The delinquent collectors collect on average \$5 million in delinquent real property taxes annually. Therefore, the loss of even one of these positions may result in a reduction in real property tax revenue. In addition, without adequate staffing, the level of performance will be compromised particularly with the forecasted downturn in the economy and the more difficult bankruptcy parcels increasing. Delays in the collection of real property taxes not only risks the City's paramount lien position but its liquidity and capacity to pay its obligations.

In FY2008, the City Council gave Treasury nine new positions to administer the County Tax Credit program. Treasury worked hard to reorganize, create the positions, recruit, interview, and perform all of the tasks required to hire these positions expeditiously. With the proposed reduction in salary, two of the nine positions are at risk just when all of them are about to be filled.

Finally, we wish to emphasize that, except for two positions, the vacancies in Treasury have occurred in the past year.

- Positions vacant one year or more
  - Treasury Debt Analyst (since 12/1/2006) – An initial recruitment produced no qualified applicants and the position was placed on continuous recruitment. Due to the specialized qualifications of the position and the pay, suitable applicants were limited and offers made to those individuals were refused. The position was reclassified to an Accountant IV on March 25, 2008 in an attempt to fill the position soon.
  - Accountant VI (since 9/1/1999) – There were issues with the Department of Human Resources' classification of this position that were resolved on December 26, 2007.
- Positions vacant more than six months but less than one year
  - Four positions (Assistant Revenue Collections Administrator, Accountant III, and two Senior Account Clerks) were part of the nine new positions for the County Tax Credit. While the positions are shown as vacant since August and September 2007, they were actually created on those dates but funding was not available until October 1, 2007.
  - Delinquent Tax Collection Assistant I (vacant since 8/29/2007) - Labor issues delayed the recruitment and hiring for this position.

The Honorable Todd K. Apo, Chair  
and Members of the Budget Committee  
April 16, 2008  
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- Positions vacant two months or less
  - Six positions (Assistant Chief of Treasury, Accountant V, Delinquent Tax Collection Assistant I and II, Accountant IV and Accountant III) are vacant due to retirements, transfers and promotions.

Within the past week, two employees (a Senior Account Clerk and an Accountant IV) notified us that they would be transferring to other City agencies. We have already interviewed and made an offer for the Senior Account Clerk position. Since there is an existing list of applicants for the Accountant IV position, we expect to hire by the end of May 2008. Further, we are currently conducting interviews with former Aloha Airlines employees, thereby increasing the probability that all of the vacancies in Treasury will be filled by the end of this fiscal year.

Please call me at 768-3901 if you have any questions.

Sincerely,

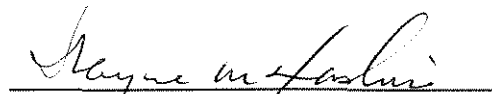


Mary Pat Waterhouse, Director  
Department of Budget and Fiscal Services

MPW:est

Attachment

APPROVED:



Wayne M. Hashiro, P.E.  
Managing Director

cc: Office of the Mayor

DIVISION OF TREASURY													
PROPOSED CD1 AMENDMENT TO BILL 18 (2008)													
	SCHED/ GRADE		POS NUM	DATE OF VACANCY	EST COST OF VACANCY	ADMIN VACANCY CUTBACK	AMOUNT BUDGETED	POSITIONS FILLED	SELECTION MADE	CONDUCTING INTERVIEWS	WAITING FOR LIST	TO BE FILLED IN FY2009	STATUS
GN	EM07	ASST CHIEF OF TREASURY	DF571	12/1/2007	100,584	92,517	8,067					8,067	
GN	SR24	ACCOUNTANT V	DF111	1/16/2008	54,954	0	54,954				54,954		List of applicants expected by 4/30/2008/Fill by 5/31/2008
GN	SR26	ASST REVENUE COLLECTIONS ADMIN	DF744	9/12/2007	54,954	0	54,954				54,954		List of applicants expected by 4/30/2008/Fill by 5/31/2008
GN	SR15	DELINQUENT TAX COLLECTION ASST I	DF115	12/31/2007	48,048	0	48,048		48,048				Selection made
GN	SR15	DELINQUENT TAX COLLECTION ASST I	DF582	8/26/2007	37,956	0	37,956			37,956			Interviewing applicants
GN	SR17	DELINQUENT TAX COLLECTION ASST II	DF572	12/31/2007	54,012	0	54,012	54,012					Filled February 20, 2008
GN	SR13	SENIOR ACCOUNT CLERK	DF740	8/29/2007	31,212	0	31,212	31,212					Filled April 21, 2008
GN	SR13	SENIOR ACCOUNT CLERK	DF741	8/29/2007	31,212	0	31,212	31,212					Filled February 1, 2008
GN	SR20	ACCOUNTANT III	DF742	8/29/2007	41,727	0	41,727			41,727			Interviewing applicants
GN	SR22	ACCOUNTANT IV	DF736	1/19/2008	45,138	0	45,138	45,138					Filled March 17, 2008
GN	SR20	ACCOUNTANT III	DF217	1/16/2008	41,869	0	41,869	41,869					Employee to start 5/5/2008
GN	SR22	TREASURY DEBT ANALYST	DF151	12/1/2006	45,138	0	45,138				45,138		List of applicants expected by 4/21/2008/Fill by 5/15/2008
GN	SR26	ACCOUNTANT VI	DF134	9/1/1999	54,954	32,057	22,897					22,897	
					641,758	124,574	517,184	203,443	48,048	79,683	155,046	30,964	